



Department of Defense (DoD) Acquisition Visibility (AV)

Defense Acquisition University Insight Conference

April 26, 2011

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What is Acquisition Visibility

- ▶ **Challenge:** Provide on-demand, disparate information on Major Defense Acquisition Programs (MDAPs) and Major Acquisition Information Systems (MAIS) to the OUSD(AT&L) to help manage these \$1.6T portfolios
- ▶ **AV Vision:** Seamless, transparent management of DoD's portfolio of acquisition programs
- ▶ **AV Mission:** Provide leadership timely access to accurate, authoritative, and reliable information supporting acquisition oversight, accountability, and decision-making efforts for effective and efficient delivery of Warfighter capabilities

Commitment
to
Transparent

Gov
ment

2009 Weapon
System Acq.
Reform Act

USD AT&L's
Sept. 14,
2010 Reform

Compliance
with DoD
5000.02

Visibility of major defense acquisition programs across the 1



What Acquisition Visibility Means for the Department's Acquisition Community

- ▶ A capability that meets the demands of AT&L leadership by getting acquisition data into our management systems quicker

What we did

OSD and Component access to real-time, authoritative acquisition information

Single access through Service Oriented Architecture (SOA) that links to Components' data

OSD and Components manage the AV capability collectively and prioritize throughout DoD

Rapid deployment of analytic capabilities

Why we did it

Informed decisions on all major DoD acquisition programs

OSD and Components continue to manage their own data infrastructure

Standardized, managed and defined acquisition data across the Department

Simplified reporting standards

AV **does not** impose a uniform business process throughout the DoD acquisition community, replace current applications and tools, or implement an "IT solution"



Acquisition Visibility Strategic Alignment and Objectives for MDAP/MAIS Manager

AV OBJECTIVES

Provision of accurate, timely, authoritative “Ground Truth” information for decision makers

One-time collection → multiple-use of data

Implementation of a Single Access Strategy

Strategic use of existing data management capabilities and efforts

Rapid expansion of the current data set available through the AV capability

Implementation of a publish/subscribe capability

Synchronization of the AV capability to iterative updates

Availability of historic data as well as classified data, in a controlled environment

Establishment of end-to-end data transparency and integrity

Implementation of strict access control

1) Quadrennial Defense Review: Reform how we buy

2) Strategic Management Plan: Reform the DoD and Acquisition Support Process

3) Dr. Ashton Carter's (USD(AT&L)) Acquisition Initiatives: Target Affordability & Cost Control

Data is the Foundation for Supporting “Better Buying Power”



QUADRENNIAL
DEFENSE
REPORT

Strategic Management Plan

Department of Defense



OFFICE OF THE UNDER SECRETARY OF DEFENSE
3000 DEFENSE PENTAGON
WASHINGTON, DC 20301-3000

SEP 14 2010

MEMORANDUM FOR ACQUISITION PROFESSIONALS

SUBJECT: Better Buying Power: Guidance for Obtaining Greater Efficiency and Productivity in Defense Spending

On June 28, I wrote to you describing a mandate to deliver better value to the taxpayer and warfighter by improving the way the Department does business. I emphasized that, next to supporting our focus at war on an urgent basis, this was President Obama's and Secretary Gates' highest priority for the Department's acquisition professionals. To put it bluntly, we have a continuing responsibility to procure the critical goods and services our forces need in the years ahead, but we will not have ever-increasing budgets to pay for them. We must therefore strive to achieve what economists call productivity growth: in simple terms, to DO MORE WITHOUT MORE. This memorandum contains specific Guidance for achieving the June 28 mandate.

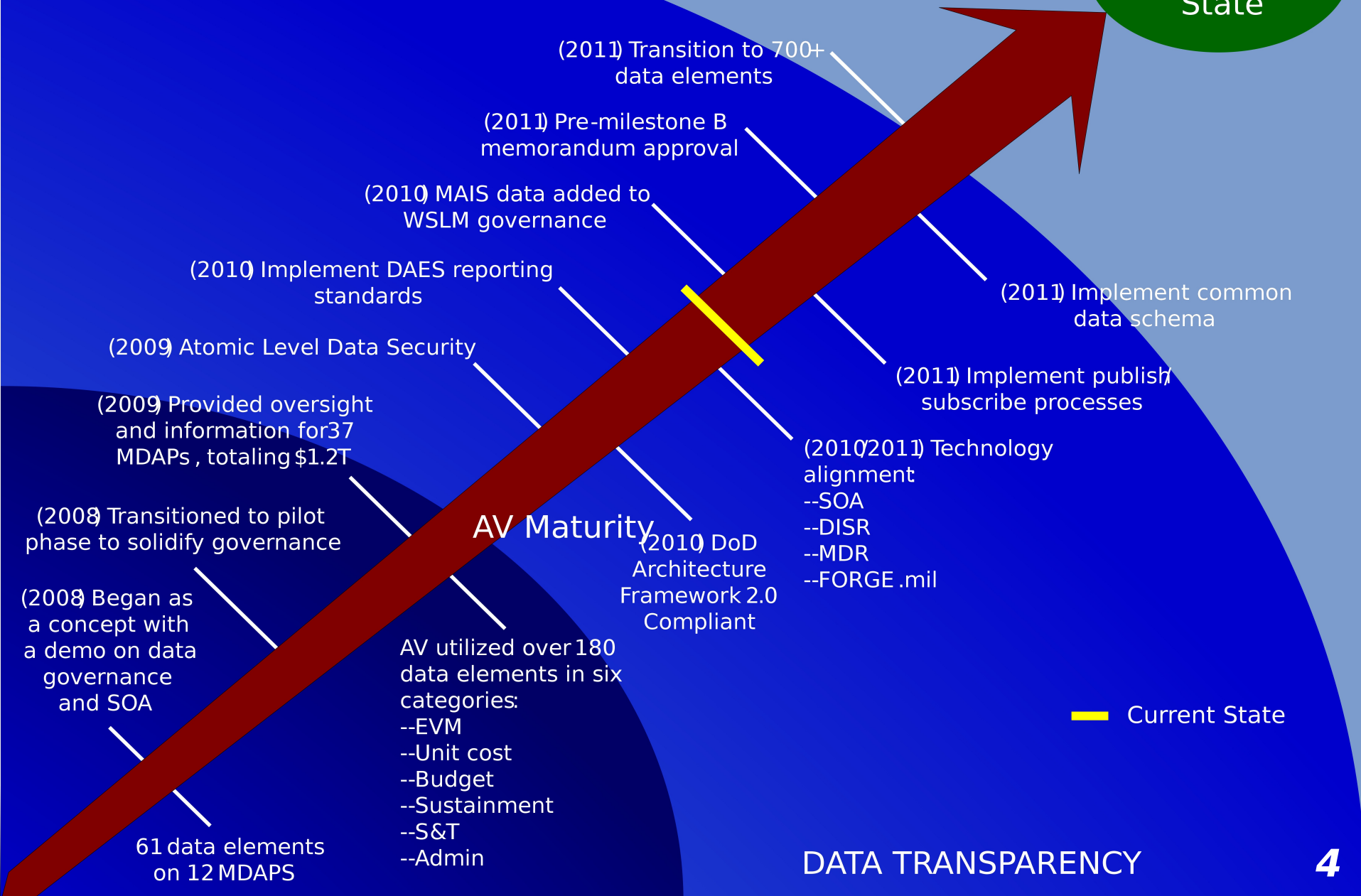
Secretary Gates has directed the Department to pursue a wide-ranging Efficiencies Initiative, of which this Guidance is a central part. This Guidance affects the approximately \$400 billion of the \$700 billion defense budget that is spent annually on contracts for goods (weapons, electronics, fuel, facilities etc., amounting to about \$200 billion) and services (IT services, knowledge-based services, facilities upkeep, weapons system maintenance, transportation, etc., amounting to about another \$200 billion). We estimate that the efficiencies targeted by this Guidance can make a significant contribution to achieving the \$100 billion redirection of defense budget dollars from unproductive to more productive purposes that is sought by Secretary Gates and Deputy Secretary Lynn over the next five years.

Since June, the senior leadership of the acquisition community – the Component Acquisition Executives (CAEs), senior logisticians and systems command leaders, OSD officials, and program executive officers (PEOs) and program managers (PMs) – has been meeting regularly with me to inform and craft this Guidance. We have analyzed data on the Department's practices, expenditures, and outcomes and examined various options for changing our practices. We have sought to base the specific actions I am directing today on the best data the Department has available to it. In some cases, however, this data is very limited. In these cases, the Guidance makes provision for future adjustments as experience and data accumulate or the unintended consequences can be detected and mitigated. We have conducted some preliminary estimates of the dollar savings anticipated from each action based on reasonable and gradual, but steady and determined, progress against a clear goal and confirmed that they can indeed be substantial.

Changing our business practices will require the continued close involvement of others. We have sought out the best ideas and initiatives from industry, many of which have been adopted in this Guidance. We have also sought the input of outside experts with decades of experience in defense acquisition.

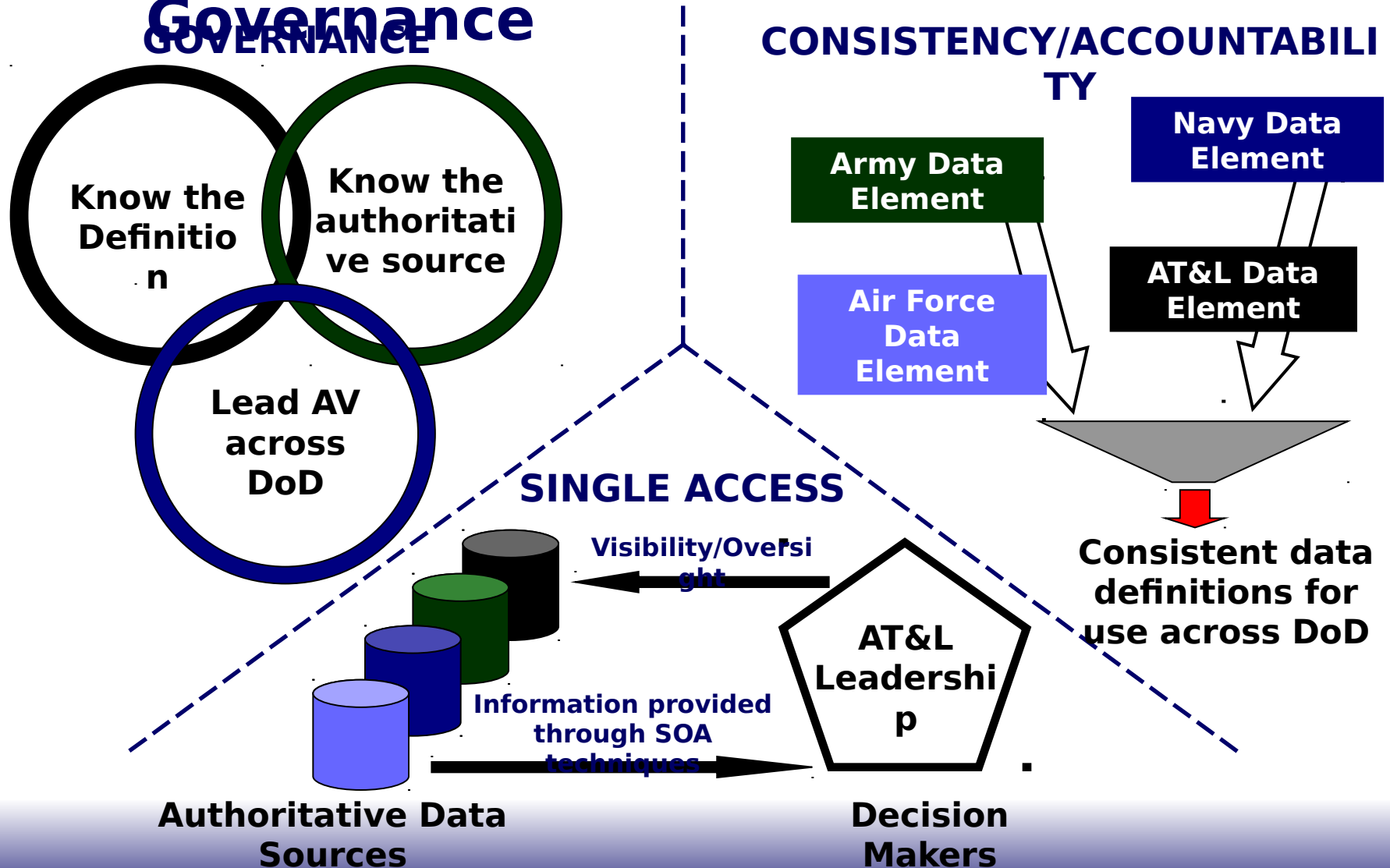
Leveraging Technology and Best Business Practices to Achieve Acquisition Visibility

Acquisition
Visibility End
State





Acquisition Visibility Definitions of Success - A Focus on Data and Governance





Acquisition Visibility Lessons Learned and Challenges to Maturity

Functional Lessons Learned:

- ▶ Focus on data, not technology
- ▶ Primary concerns:
 - Governance leadership
 - Clarity of meaning
 - Authority of definition
- ▶ Senior leadership direction and stewardship are key

Challenges to Implementation:

Commitment to Organization & Governance

Different Perspectives of Success

New Skills Sets and Abilities

Credibility Across the DoD

Technical Lessons Learned:

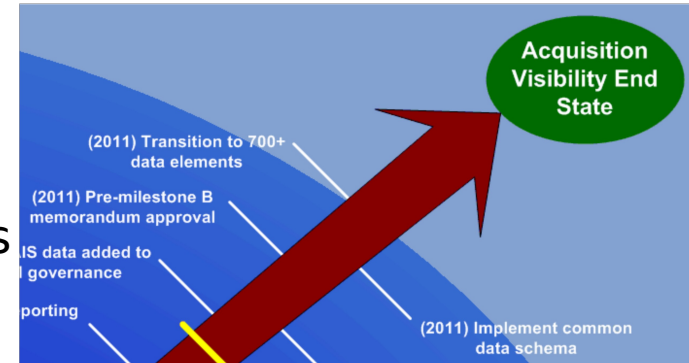
- ▶ Leverage other initiatives when feasible
 - DISA, NCES, DTIC, DISR, Forge.mil
- ▶ Architecture drives design and communicates direction with partners/providers
- ▶ Interfaces are key: define them early and manage them throughout



Next Steps for Acquisition Visibility throughout FY2011 and Beyond

USD(AT&L) is planning major activities to expand the capability in FY2011:

- ▶ Increase the number of data elements by 520 to 700 across all acquisition portfolios – these are key to decisions-makers
- ▶ Implement a “Single Access Strategy” that provides one entry point for access by the Components and use across the Department
- ▶ Implement publish/subscribe processes to standardize the Components’ data transmissions and recognize the challenges of managing the acquisition portfolio across the enterprise
- ▶ Develop one authoritative source for data definitions to align the use of acquisition information internally
- ▶ Transformation to an “Agile”, requirements-driven environment





DoD Federally Funded Research and Development Centers (FFRDCs)

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FFRDCs Fill a Strategic Niche in Support of the Department's Mission

- ▶ FFRDCs are not-for-profit, private sector organizations that:
 - Maintain long-term, strategic relationships with the Department
 - Perform research, development, and analytical tasks critical to DoD
 - Possess “core” competencies that support areas where the Department lacks similar expertise
 - Operate free from real or perceived organizational conflicts of interest (OCI)
- ▶ Provide advanced analytical and technical support to DoD Components that follows specific departmental guidance
- ▶ Meet special long-term or developmental requirements that cannot be met by for-profit organizations



FFRDCs Have a Strong Relationship and Business Tradition with the Department

- ▶ The first FFRDCs began in the 1950s as private enterprises to provide specialized, non-organic, on-demand skills to the Department
- ▶ Address strategic priorities through a deliberate, six-month review process led by DoD and FFRDC senior leadership
- ▶ Complement specific DoD initiatives that require research and analytical expertise – FFRDCs do not perform governmental functions
- ▶ Provide capabilities to the Department through sole-source contracts (usually lasting five years)
- ▶ Possess non-profit characteristics and avoid OCI to ensure objective advice

The Government Accountability Office* commended DoD for its oversight of FFRDCs - it recommended non-DoD FFRDC Sponsors to consult with OSD(AT&L) on FFRDC oversight and governance



FFRDCs Adhere to Specific Guidance to Conduct Business with the Department

- ▶ FFRDCs perform work under terms more restrictive than for-profit organizations providing support to DoD
- ▶ FFRDCs must:
 - Maintain and closely adhere to their not-for-profit status
 - Address specific requirements that support Components within DoD only
 - Perform work that remains in scope of their core capabilities and avoids for-profit activities such as manufacturing products
 - Avoid all perceived and actual OCI through compliance with DoD policies
- ▶ Federal laws, procurement regulations and internal DoD policies outline these requirements
 - Other management tools: DoD FFRDC contracts and requirements, FFRDC Management Plan



DoD FFRDCs Fall into One of Three Classifications

- ▶ Studies and Analysis Centers
 - Conduct independent analysis and advice on core mission areas
 - Support policy development, decision-making and alternative approaches
- ▶ Systems Engineering and Integration Centers
 - Provide technical and engineering support not organically available
 - Assist with developing system concept and architectures, specifying technical requirements, and evaluating specific programs from for-profit firms
- ▶ Research and Development Laboratories
 - Research competencies in technology and conduct prototype demonstrations
 - Develop and transfer new technologies to the private sector



Ten FFRDCs Currently Support the Department

FFRDC ORGANIZATION	SPONSOR	FUNDING	STE
Studies & Analysis (5)			
Center for Naval Analyses*	Navy	\$85.4M	257
Institute for Defense Analyses (IDA)*	USD(AT&L)	\$103.2M	382
RAND – Arroyo Center*	Army	\$32.1M	96
RAND – National Defense Research Institute*	USD(AT&L)	\$42M	120
RAND – Project Air Force*	Air Force	\$44.6M	127
Systems Engineering & Integration (2)			
Aerospace**	Air Force	\$431.6M	1326
MITRE*	USD(AT&L)	\$578M	1910
Laboratories (3)			
IDA – Communications & Computing*	NSA	\$32M	118
Lincoln Laboratory (MIT)**	USD(AT&L)	\$388.3M	1086
Software Engineering Institute (CMU)**	USD(AT&L)	\$53.4M	170
TOTAL:		\$1,791M	5592

*Administered by a Non-profit

**Administered by a



A Three-Tiered Management Structure is Responsible for Oversight of FFRDCs

- ▶ OUSD(AT&L):
 - Establishes and implements FFRDC policies
 - Manages Congressionally mandated FFRDC staffing requirements
- ▶ FFRDC Primary Sponsor:
 - Establishes strategic goals and FFRDC research priorities that are consistent with overall DoD strategic goals
 - Negotiates and manages FFRDC contracts
 - Provides a portion of “core” funding for work (~8% on average)
- ▶ DoD Customer (User):
 - Defines and manages individually contracted tasks
 - Measures results and task completion
 - Provides the remaining funding for work (~92% on average)



DoD is Pursuing Opportunities to Improve the Management of FFRDCs

- ▶ Lead Assistant Secretary of Defense-level (ASD) reviews on an iterative basis that guide, manage and evaluate FFRDCs
- ▶ Align FFRDC capabilities to DoD strategic priorities in 60 days
- ▶ Rebalance existing FFRDC staffing requirements to address most critical needs
- ▶ Develop stronger FFRDC management and oversight policies while clarifying processes to address specific FFRDC concerns
- ▶ Review existing acquisition regulations to provide flexible, long-term contracts to FFRDCs
- ▶ Encourage increased Sponsor oversight to further strengthen relationships



DoD Issued a Revised Management Plan to Improve FFRDC Oversight

- ▶ Formalizes the USD(AT&L)'s emphasis on value and expertise FFRDCs provide and their importance to the DoD community
- ▶ Establishes collective management and oversight policies to help Sponsors and Users strategically manage FFRDCs
- ▶ Redefines USD(AT&L), Sponsor and User roles while increasing their overall responsibilities
- ▶ Addresses common issues and provides guidance that supports FFRDC operations and DoD oversight processes
- ▶ Reinforces the scope of work and level of effort that FFRDCs may perform for Sponsors and Users

Bottom Line: Greater accountability and performance for our FFRDCs



FFRDCs Represent an Opportunity for the Acquisition Community and the Department

- ▶ USD(AT&L) continues to emphasize the importance of FFRDCs to the Department – expects Sponsors and Users to utilize these resources and strengthen DoD's relationship with them
- ▶ FFRDCs provide expertise in studies and analysis, research and development, and engineering to support specific goals of the Military Departments or Defense Agencies
- ▶ FFRDCs possess strategic, long-term relationships with the Department which helps contracting strategies and management
- ▶ FFRDCs' lack of OCI simplifies oversight requirements which provides DoD flexibility to receive work
- ▶ ASD-level approval of FFRDC work means a focus on governance and leadership from DoD



QUESTIONS?



BACKUP



FFRDC Core Competencies

- ▶ Institute for Defense Analyses-Studies and Analysis
 - Systems and Capability Evaluations
 - Technology Assessments
 - Force and Strategy Assessments
 - Resource and Support Analyses
- ▶ RAND- Project Air Force
 - Strategy and Doctrine
 - Force Development and Application
 - Resource Management
- ▶ RAND-Arroyo
 - Force Development and Technology
 - Manpower and Training
 - Military Logistics
 - Strategy and Doctrine



FFRDC Core Competencies, Cont'd...

▶ RAND- NDRI

- Regional Security
- Defense Doctrine
- Threats to National Security
- DoD Personnel Requirements
- DoD Health Issues
- Human Resources
- Budget Analysis
- Logistics and Military Infrastructure
- Weapon, Information and other Technologies
- Modernization of U.S. Forces
- Modeling and Simulation
- S&T and Defense Production Base
- Cost Analysis
- Intelligence Policy and Analysis



FFRDC Core Competencies, Cont'd...

- ▶ Center for Naval Analyses
 - Operations Analysis
 - Systems Requirements and Acquisition
 - Resource Analysis
 - Program Planning
 - Policy, Strategy and Doctrine
- ▶ MITRE
 - C4ISR Systems and Enterprise Infrastructure
 - S&T
 - Advancement of Enterprise-level Tools



FFRDC Core Competencies, Cont'd...

- ▶ Aerospace
 - Launch Certification
 - Systems of Systems Engineering
 - Systems Development and Acquisition
 - Process Implementation
 - Technology Application
- ▶ Institute for Defense Analyses- Communications and Computing
 - Classified